

A 10-Step Response Plan To The Overall Health & Economic Emergency

By Rob Stein (A citizen with a plan)

As state and federal governments weigh the most effective responses to COVID-19 and the economic disruption resulting from efforts to flatten the contagion curve, it is clearly time for some new approaches.

The old playbook of the Federal Reserve adding liquidity is unlikely to have an immediate impact. As was written in Astor's Outlook 2020:

A continuation of the low interest rate, high liquidity environment that we've seen in the U.S. will likely not have the same desired impact in the future. We may have gotten all we can from lower rates. In fact, it's possible the additional liquidity and lower rates acted like an antibiotic to curing the economy at the time, and hence the stock market. ***So, is it possible that now the economy has built up an immunity to lower rates?*** We will see, I guess. That said, once the economy is back in function and COVID-19 has been contained, the Feds action should stimulate demand provided that supply has not been disrupted permanently.

Here, I believe, is a better plan. *(To be clear, I'm writing this as a concerned citizen—not as the CEO and a Portfolio Manager at Astor Investment Management.)* Even if its projected impact is hard to calculate now, the value of a 10-step plan in providing guidance and a way forward is immeasurable. If nothing else, people like an action plan.

1

Give \$1,000 immediately to everyone who earns less than \$70,000 a year.

2

Set up "fever centers" like mobile army surgical hospitals (M.A.S.H.) units at a distance from hospitals. Instruct people with fevers or other symptoms to be screened at fever centers—not at hospital emergency departments.

3

Once an approved test is made widely available, data on the coronavirus will be essential for creating the models for vaccines, treatments, and prevention. To encourage widespread testing, issue a \$1,000 federal income tax credit to anyone who gets tested for the novel coronavirus that causes COVID-19.

4

Create isolation centers for people who do not need to be hospitalized but require monitoring and care that cannot be provided by isolation at home. Now-vacated school buildings, auditoriums, gymnasiums, and similar facilities can be used for this purpose.

5

Set up food banks to collect emergency supplies of food and staples for people in need. Delivery to at-risk people or those in isolation at home can be arranged using trained volunteers through organizations such as Meals on Wheels.

6

Equip (with hazmat suits, training, etc.) and activate the National Guard, particularly in areas where lockdowns and curfews are imposed.

7

Once the COVID-19 outbreak is well past the peak, create a 10-day sales tax holiday on all purchases.

8

Put mortgage and other loan payments on hold for 60 days; in return, the Federal government will provide relief to banks.

9

Provide double unemployment benefits for 60 days for first-time claims.

10

Institute tax credits for companies that hire new workers at a rate of 3 new workers hired for every 1 laid off in 2020.

This 10-point plan will cost less and do more for the economy than Fed intervention in the financial markets.

Most important, the positive benefit, in my opinion, will be experienced at the grassroots, which is where the burden of COVID-19 is being felt the most.

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